

**Senate File 2316 - Introduced**

SENATE FILE 2316

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 3182)

**A BILL FOR**

1 An Act relating to the collection of delinquent court debt and  
2 associated installment agreements.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 96.11, subsection 6, paragraph b,  
2 subparagraph (3), Code 2016, is amended to read as follows:

3 (3) Information obtained from an employing unit or  
4 individual in the course of administering this chapter and  
5 an initial determination made by a representative of the  
6 department under section 96.6, subsection 2, as to benefit  
7 rights of an individual shall not be used in any action or  
8 proceeding, except in a contested case proceeding or judicial  
9 review under chapter 17A. However, the department shall  
10 make information, which is obtained from an employing unit  
11 or individual in the course of administering this chapter  
12 and which relates to the employment and wage history of the  
13 individual, available to a county attorney for the county  
14 attorney's use in the performance of duties under section  
15 331.756, subsection 5, or section 602.8107, or to the private  
16 collection designee under contract with the judicial branch for  
17 the private collection designee's performance of duties under  
18 section 602.8107. The department shall make such information  
19 electronically accessible to the county attorney at the  
20 county attorney's office, if requested, provided the county  
21 attorney's office pays the cost of the installation of the  
22 equipment to provide such access, or to the private collection  
23 designee under contract with the judicial branch at the private  
24 collection designee's office, if requested, provided the  
25 private collection designee pays the cost of the installation  
26 of the equipment to provide such access. Information in the  
27 department's possession which may affect a claim for benefits  
28 or a change in an employer's rating account shall be made  
29 available to the interested parties. The information may be  
30 used by the interested parties in a proceeding under this  
31 chapter to the extent necessary for the proper presentation or  
32 defense of a claim.

33 Sec. 2. Section 321.210B, subsection 1, Code 2016, is  
34 amended to read as follows:

35 1. a. If a person's fine, penalty, surcharge, or court

1 cost is deemed delinquent as provided in section 602.8107,  
2 subsection 2, and the person's driver's license has been  
3 suspended pursuant to section 321.210A, or the clerk of the  
4 district court has reported the delinquency to the department  
5 as required by section 321.210A, the person may execute an  
6 installment agreement as defined in section 602.8107 with  
7 the county attorney, the county attorney's designee, or the  
8 private collection designee under contract with the judicial  
9 branch pursuant to section 602.8107, subsection 5, to pay the  
10 delinquent amount and the civil penalty assessed in subsection  
11 7 in installments. Prior to execution of the installment  
12 agreement, the person shall provide the county attorney, the  
13 county attorney's designee, or the private collection designee  
14 with a financial statement in order for the parties to the  
15 agreement to determine the amount of the installment payments.  
16 b. Cases involving court debt assigned to a county attorney,  
17 a county attorney's designee, or the private collection  
18 designee shall remain so assigned.  
19 Sec. 3. Section 321.210B, subsection 5, Code 2016, is  
20 amended to read as follows:  
21 5. Upon receipt of the report from the clerk of the  
22 district court and payment of the reinstatement fee as  
23 provided in section 321.191, the department shall terminate  
24 the suspension if the suspension has not yet become effective.  
25 If the suspension has become effective, the department shall  
26 immediately reinstate the driver's license of the person unless  
27 the driver's license of the person is otherwise suspended,  
28 revoked, denied, or barred under another provision of law.  
29 Sec. 4. Section 321.210B, subsection 12, Code 2016, is  
30 amended by striking the subsection.  
31 Sec. 5. Section 602.8107, subsection 3, paragraphs a and c,  
32 Code 2016, are amended to read as follows:  
33 a. Thirty days after court debt has been assessed and full  
34 payment has not been received, or if an installment payment is  
35 not received within thirty days after the date it is due, the

1 judicial branch shall assign a case to the private collection  
 2 designee under contract with the judicial branch pursuant to  
 3 subsection 5 to collect debts owed to the clerk of the district  
 4 court, unless the case has been assigned to the county attorney  
 5 under paragraph "c".

6 c. If Thirty days after court debt has been assessed and  
 7 full payment has not been received, or if an installment  
 8 payment is not received within thirty days after the date it  
 9 is due, and if a county attorney has filed with the clerk  
 10 of the district court a notice of full commitment to collect  
 11 delinquent court debt pursuant to subsection 4, the court  
 12 ~~debt in a case shall be assigned after sixty days to the~~  
 13 ~~county attorney as provided in subsection 4, if the court debt~~  
 14 ~~in a case is not part of an installment agreement with the~~  
 15 ~~private collection designee under contract with the judicial~~  
 16 ~~branch pursuant to subsection 5.~~ The judicial branch shall  
 17 assign cases with delinquent court debt to a county attorney  
 18 in the same format and with the same frequency as cases with  
 19 delinquent court debt are assigned to the private collection  
 20 designee under paragraph "a", and a county attorney shall not  
 21 be required to file an individual notice of full commitment  
 22 to collect delinquent court debt for each assigned case. If  
 23 the county attorney or the county attorney's designee, while  
 24 collecting delinquent court debt pursuant to subsection 4,  
 25 determines that a person owes additional court debt for which a  
 26 case has not been assigned by the judicial branch, the county  
 27 attorney or the county attorney's designee shall notify the  
 28 clerk of the district court of the appropriate case numbers  
 29 and the judicial branch shall assign these cases to the  
 30 county attorney for collection if the additional court debt is  
 31 delinquent.

32 Sec. 6. Section 602.8107, subsection 4, Code 2016, is  
 33 amended to read as follows:

34 4. *County attorney collection.* The county attorney or  
 35 the county attorney's designee may collect court debt ~~sixty~~

1 ~~days~~ after the court debt is deemed delinquent pursuant to  
 2 subsection 2. In order to receive a percentage of the amounts  
 3 collected pursuant to this subsection, the county attorney  
 4 must first file ~~annually~~ with the clerk of the district court  
 5 on or before July 1 of the first year the county attorney  
 6 collects court debt under this subsection, a notice of full  
 7 commitment to collect delinquent court debt, and a memorandum  
 8 of understanding with the state court administrator for all  
 9 cases assigned to the county for collection by the court. The  
 10 ~~annual~~ notice shall contain a list of procedures which will  
 11 be initiated by the county attorney. For a county attorney  
 12 filing a notice of full commitment for the first time, the  
 13 cases involving delinquent court debt previously assigned to  
 14 the private collection designee shall remain assigned to the  
 15 private collection designee. Cases involving delinquent court  
 16 debt assigned to the county attorney after the filing of a  
 17 notice of full commitment by the county attorney shall remain  
 18 assigned to the county attorney. A county attorney who chooses  
 19 to discontinue collection of delinquent court debt shall file  
 20 with the clerk of the district court on or before May 15 a  
 21 notice of the intent to cease collection of delinquent court  
 22 debt at the start of the next fiscal year. If a county attorney  
 23 ceases collection efforts, or if the state court administrator  
 24 deems that a county attorney collections program has become  
 25 ineligible to collect as specified in paragraph "f", all cases  
 26 involving delinquent court debt assigned to the county attorney  
 27 shall be transferred on July 1 to the private collection  
 28 designee for collection, except that debt associated with any  
 29 existing installment agreement shall remain assigned to the  
 30 county for collection unless an installment payment becomes  
 31 delinquent, after which the delinquent debt associated with  
 32 the installment agreement shall be transferred promptly to the  
 33 private collection designee for collection.

34 a. This subsection does not apply to amounts collected for  
 35 victim restitution, the victim compensation fund, the criminal

1 penalty surcharge, sex offender civil penalty, drug abuse  
2 resistance education surcharge, the law enforcement initiative  
3 surcharge, county enforcement surcharge, amounts collected as  
4 a result of procedures initiated under subsection 5 or under  
5 section 8A.504, or fees charged pursuant to section 356.7.

6     *b.* Amounts collected by the county attorney or the county  
7 attorney's designee shall be distributed in accordance with  
8 paragraphs "c" and "d".

9     *c.* (1) ~~Forty~~ Twenty-eight percent of the amounts collected  
10 by the county attorney or the person procured or designated by  
11 the county attorney shall be deposited in the general fund of  
12 the county if the county attorney has filed the notice required  
13 by this subsection, unless the county attorney has discontinued  
14 collection efforts on a particular delinquent amount.

15     (2) The remaining ~~sixty~~ seventy-two percent shall be  
16 paid to the clerk of the district court each fiscal year for  
17 distribution under section 602.8108. However, if such amount,  
18 when added to the amount deposited into the general fund of  
19 the county pursuant to subparagraph (1), exceeds the following  
20 applicable threshold amount, the excess shall be distributed  
21 as provided in paragraph "d":

22     (a) For a county with a population greater than one hundred  
23 fifty thousand, an amount up to ~~five hundred thousand~~ one  
24 million dollars.

25     (b) For a county with a population greater than one hundred  
26 thousand but not more than one hundred fifty thousand, an  
27 amount up to ~~four~~ six hundred thousand dollars.

28     (c) For a county with a population greater than fifty  
29 thousand but not more than one hundred thousand, an amount up  
30 to ~~two hundred fifty~~ three hundred thousand dollars.

31     (d) For a county with a population greater than twenty-six  
32 thousand but not more than fifty thousand, an amount up to one  
33 hundred thousand dollars.

34     (e) For a county with a population greater than fifteen  
35 thousand but not more than twenty-six thousand, an amount up to

1 fifty thousand dollars.

2 (f) For a county with a population equal to or less than  
3 fifteen thousand, an amount up to twenty-five thousand dollars.

4 ~~d. Any additional moneys collected by an individual county~~  
5 ~~after the distributions in paragraph "c" shall be distributed~~  
6 ~~by the state court administrator as follows: forty percent of~~  
7 ~~any additional moneys collected by the county attorney or the~~  
8 ~~person procured or designated by the county attorney shall be~~  
9 ~~deposited in the general fund of the county where the moneys~~  
10 ~~were collected; twenty percent of the remaining sixty percent~~  
11 ~~collected by the county attorney or the person procured or~~  
12 ~~designated by the county attorney~~ After the total collected by  
13 a county attorney exceeds the threshold amount set in paragraph  
14 "c", and for the remainder of the fiscal year, five percent  
15 of the additional moneys collected shall be deposited with  
16 the office of the county attorney that collected the moneys;  
17 twenty-eight percent of the additional moneys collected shall  
18 be deposited in the general fund of the county where the moneys  
19 were collected; and the remainder remaining sixty-seven percent  
20 of the additional moneys shall be paid to the clerk of the  
21 district court for distribution under section 602.8108 or the  
22 state court administrator may distribute the remainder under  
23 section 602.8108 if the additional moneys have already been  
24 received by the state court administrator.

25 e. (1) A county may enter into an agreement pursuant to  
26 chapter 28E with one or more other counties for the purpose of  
27 collecting delinquent court debt pursuant to [this subsection](#).

28 (2) ~~Notwithstanding paragraph "c", if a county subject~~  
29 ~~to the threshold amount in paragraph "c", subparagraph (2),~~  
30 ~~subparagraph division (e) or (f) enters into such an agreement~~  
31 ~~exclusively with a county or counties subject to the threshold~~  
32 ~~amount in paragraph "c", subparagraph (2), subparagraph~~  
33 ~~division (e) or (f), the threshold amount applicable to all~~  
34 ~~of the counties combined shall be a single threshold amount,~~  
35 ~~equal to the threshold amount attributable to the county with~~

1 ~~the largest population~~ When a county enters into a chapter 28E  
 2 agreement with another county or counties to collect delinquent  
 3 court debt, the county or the county debt collection designee  
 4 must collect an amount of delinquent court debt that originated  
 5 in the county and that is equal to the applicable threshold  
 6 amount under paragraph "c" in order for the county to qualify  
 7 for distribution of moneys collected by county attorneys under  
 8 paragraph "d".

9 *f.* Beginning July 1, 2010 2017, and every fiscal year  
 10 thereafter, amounts collected and distributed pursuant to  
 11 this subsection shall be equal to or greater than twenty-five  
 12 thousand dollars for each county or twenty-five thousand  
 13 dollars in the aggregate for counties that have entered into an  
 14 agreement pursuant to chapter 28E. If a county, or counties  
 15 that have entered into a chapter 28E agreement, fails to meet  
 16 the minimum threshold established in this paragraph, the  
 17 county, or counties under the chapter 28E agreement, shall  
 18 be within two years of beginning to collect delinquent court  
 19 debt, a county attorney shall be required to collect one  
 20 hundred percent of the applicable threshold amount specified  
 21 in paragraph "c". If a county attorney collects more than  
 22 eighty percent but less than one hundred percent of the  
 23 applicable threshold amount, the state court administrator  
 24 shall provide notice to the county attorney specifying that in  
 25 order to remain eligible to participate in the county attorney  
 26 collection program, the county attorney must collect at least  
 27 one hundred twenty-five percent of the applicable threshold  
 28 amount by the end of the next fiscal year. If a county attorney  
 29 who has been given such a notice fails to collect one hundred  
 30 twenty-five percent of the applicable threshold amount, the  
 31 state court administrator shall provide notice to the county  
 32 attorney that the county is ineligible to participate in the  
 33 county attorney collection program for the following next two  
 34 fiscal year years and all existing and future court cases  
 35 with delinquent court debt shall be assigned to the private



1 collection designee. In the event a county is ineligible to  
2 collect under this program, the county may apply to the state  
3 debt coordinator established in [section 421C.1](#) to reenter  
4 the program following the fiscal year of ineligibility. The  
5 provisions of this paragraph apply to all counties, including  
6 those counties where delinquent court debt is collected  
7 pursuant to a chapter 28E agreement with one or more counties.

8     Sec. 7. STATE AUDITOR — REPORT. The state auditor shall  
9 review the collection rate for each county that has filed a  
10 notice of full commitment to collect delinquent court debt, and  
11 file a report of the results of the review with the general  
12 assembly by January 1, 2018. Additionally, the state auditor  
13 shall distribute the report to the judicial branch and to each  
14 county attorney who has filed a notice of full commitment to  
15 collect delinquent court debt.

16     Sec. 8. TEMPORARY PROVISION FOR COUNTY COLLECTION  
17 PROGRAMS. Notwithstanding the amendment to section 602.8107,  
18 subsection 4, paragraph "f", in this Act, the provisions of  
19 section 602.8107, subsection 4, paragraph "f", Code 2016, apply  
20 to individual counties or counties entering into a chapter 28E  
21 agreement until June 30, 2017.

22                                   EXPLANATION

23             The inclusion of this explanation does not constitute agreement with  
24             the explanation's substance by the members of the general assembly.

25     This bill relates to the collection of delinquent court debt  
26 and associated installment agreements.

27     The bill allows a private collection designee under  
28 contract with the judicial branch to access certain employment  
29 information obtained by the department of workforce development  
30 in order to collect delinquent court debt.

31     The bill specifies that delinquent court debt assigned to  
32 a county attorney or to the private debt collection designee  
33 shall remain with the collection entity collecting the debt.

34     The bill permits a person to execute an installment  
35 agreement with the county attorney or a private collection

1 designee if the clerk of the district court has reported  
2 the delinquency to the department of transportation. The  
3 bill provides that if a person pays the reinstatement fee to  
4 obtain a driver's license pursuant to Code section 321.191,  
5 the department of transportation shall terminate the driver's  
6 license suspension even if the suspension has not yet become  
7 effective.

8 The bill strikes Code section 321.210B(12) prohibiting  
9 a fine, penalty, surcharge, or court cost contained in an  
10 installment agreement that is in default from being placed in a  
11 new installment agreement.

12 The bill modifies the distribution formula when a county  
13 attorney collects delinquent court debt.

14 The bill provides that a county attorney may begin  
15 collecting delinquent court debt 30 days after the court debt  
16 is assessed and payment has not been received, if the county  
17 attorney has filed a one-time notice of full commitment to  
18 collect delinquent court debt with the clerk of the district  
19 court. Current law provides that a county attorney may begin  
20 collecting delinquent court debt 60 days after the court debt  
21 is deemed delinquent, and if the county attorney files a notice  
22 of commitment to collect delinquent court debt on an annual  
23 basis with the clerk of the district court.

24 The bill requires that cases involving court debt be  
25 assigned to the county attorney in the same format and with  
26 the same frequency as cases with delinquent court debt are  
27 assigned to the private debt collection designee. If the  
28 county attorney, or the county attorney's designee, determines  
29 that a person has additional delinquent court debt for which a  
30 case has not been assigned by the judicial branch, the county  
31 attorney or the county attorney's designee shall notify the  
32 clerk of the district court of the appropriate case numbers  
33 and the judicial branch shall assign these cases to the  
34 county attorney for collection if the additional court debt is  
35 delinquent.

1 The bill requires the county attorney to also file a  
2 memorandum of understanding with the state court administrator  
3 for all cases assigned to the county attorney for collection  
4 by the court.

5 The bill provides that for a county attorney filing a  
6 notice of full commitment for the first time, the cases with  
7 delinquent court debt previously assigned to the private  
8 collection designee shall remain assigned to the private  
9 collection designee. Cases with delinquent court debt assigned  
10 to the county attorney after filing a notice of full commitment  
11 by the county attorney shall remain assigned to the county  
12 attorney.

13 The bill provides that a county attorney who chooses to  
14 discontinue the collection of delinquent court debt shall  
15 file with the clerk of the district court on or before May 15  
16 a notice of the intent to cease collection at the start of  
17 the next fiscal year. If a county ceases collection efforts  
18 under the bill, or if the state court administrator deems that  
19 a county attorney collections program has become ineligible  
20 to collect delinquent court debt, all delinquent court debt  
21 shall be transferred on July 1 to the private collection  
22 designee for collection, except court debt in any existing  
23 installment agreement remains with the county for collection  
24 unless the installment payment becomes delinquent, after which  
25 all the remaining delinquent court debt associated with the  
26 installment agreement must be transferred promptly to the  
27 private collection designee for collection.

28 The bill and current law provide that the county attorney  
29 is not eligible to retain certain court debt specified in Code  
30 section 602.8107(4)(a). Code section 602.8107(2)(c) continues  
31 to govern the prioritized application of court debt receipts.

32 The bill and current law provide for a two-tier distribution  
33 formula if a county attorney decides to collect delinquent  
34 court debt. Current law and the bill provide for one  
35 distribution formula to the county and the state when the

1 county attorney collects below a certain threshold dollar  
2 amount and a different distribution formula when a county  
3 attorney exceeds that certain threshold dollar amount. The  
4 bill makes three major changes to the county attorney court  
5 debt collection formula.

6 First, the bill requires 28 percent of the distributable  
7 amount of court debt collected by the county attorney to be  
8 deposited into the county general fund. Current law requires  
9 40 percent of the distributable amount of court debt collected  
10 by the county attorney to be deposited into the county general  
11 fund. Current law and the bill provide that the remaining  
12 court debt not deposited into the county general fund be paid  
13 to the clerk of district court for distribution under Code  
14 section 602.8108. Under the bill, this remaining court debt  
15 is 72 percent of the distributable amount of court debt and  
16 is required to be paid to the clerk of the district court for  
17 distribution under Code section 602.8108.

18 Second, the bill changes the threshold dollar amounts  
19 that are in place to further incentivize a county attorney  
20 to continue collecting delinquent court debt. The threshold  
21 dollar amount depends on the population size of the county.  
22 The bill changes the threshold dollar amount for a county with  
23 a population greater than 150,000 from \$500,000 to \$1 million.  
24 The bill changes the threshold dollar amount for a county with  
25 a population greater than 100,000 but not more than 150,000  
26 from \$400,000 to \$600,000. The bill changes the threshold  
27 dollar amount for a county with a population greater than  
28 50,000 but not more than 100,000 from \$250,000 to \$300,000.  
29 The remaining threshold amounts for the less populated counties  
30 are not changed by the bill and are specified in Code section  
31 602.8107(4)(c)(2).

32 Third, after a county attorney's collection of delinquent  
33 court debt exceeds the threshold dollar amount and for the  
34 remainder of the fiscal year, the bill requires 5 percent of  
35 the distributable amount of court debt collected by the county

1 attorney to be deposited with the office of the county attorney  
2 that collected the debt. Current law requires 12 percent of  
3 the distributable amount of court debt to be deposited with the  
4 office of the county attorney. In addition to the 5 percent  
5 of distributable court debt deposited with the office of the  
6 county attorney that collected the debt, the bill requires 28  
7 percent of the distributable amount of court debt collected  
8 by the county attorney after exceeding the threshold dollar  
9 amounts to be deposited into the county general fund. Current  
10 law requires 40 percent of such debt to be deposited into the  
11 county general fund. Current law and the bill requires the  
12 remaining court debt not deposited into the county general fund  
13 be paid to the clerk of district court for distribution under  
14 Code section 602.8108. Under the bill, after exceeding the  
15 threshold dollar amount, 67 percent of the court debt remains  
16 to be paid to the clerk of the district court for distribution  
17 under Code section 602.8108.

18 The bill provides that any county that enters into a Code  
19 chapter 28E agreement with another county or counties to  
20 collect delinquent court debt, must collect an amount in  
21 excess of the applicable threshold dollar amount for that  
22 particular county in order to qualify for the second tier of  
23 the distribution formula and the 5 percent distribution to the  
24 office of the county attorney. The bill specifies that Code  
25 section 602.8107(4)(f), Code 2016, governs individual counties  
26 entering into Code chapter 28E agreements to collect delinquent  
27 court debt until June 30, 2017.

28 The bill provides that beginning July 1, 2017, a county  
29 attorney shall be required to collect 100 percent of the  
30 applicable threshold dollar amount within two years of  
31 beginning to collect delinquent court debt. The bill provides  
32 that if the county attorney collects more than 80 percent  
33 but less than 100 percent of the applicable threshold dollar  
34 amount, the state court administrator shall provide notice to  
35 the county attorney specifying that in order to remain eligible

1 to participate in the county attorney collection program,  
2 the county attorney must collect at least 125 percent of the  
3 applicable threshold amount by the end of the next fiscal  
4 year. If after a county attorney who has been given such a  
5 notice fails to collect 125 percent of the applicable threshold  
6 amount, the state court administrator shall provide notice to  
7 the county attorney that the county attorney is ineligible to  
8 participate in the county attorney collection program for the  
9 next two fiscal years.

10 The bill strikes a reference to the state debt coordinator  
11 in repealed Code section 602.8107(4)(f). The coordinator was  
12 never appointed.

13 The bill requires the state auditor to review the collection  
14 rate for each county that has filed a notice of full commitment  
15 to collect delinquent court debt, and file a report of the  
16 results of the audit with the general assembly by January 1,  
17 2018. The bill requires the state auditor to also distribute  
18 such report to the judicial branch and to each county attorney  
19 who has filed a notice of full commitment to collect delinquent  
20 court debt.